

110TH CONGRESS
1ST SESSION

S. 1153

To require assessment of the impact on small business concerns of rules relating to internal controls, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 18, 2007

Ms. SNOWE (for herself and Mr. COLEMAN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require assessment of the impact on small business concerns of rules relating to internal controls, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Regu-
5 latory Review Act of 2007”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) a vibrant and growing small business sector
9 is critical to creating jobs in a dynamic economy;

1 (2) uniform Federal regulatory and reporting
2 requirements in many instances have imposed on
3 small business concerns and other small entities un-
4 necessary and disproportionately burdensome de-
5 mands, including legal, accounting, and consulting
6 costs;

7 (3) since 1980, under chapter 6 of title 5,
8 United States Code (commonly known as the “Regu-
9 latory Flexibility Act”), Federal agencies have been
10 required to recognize and take account of the dif-
11 ferences in the scale and resources of regulated enti-
12 ties, but have failed to do so;

13 (4) a recent report prepared for the Office of
14 Advocacy of the Small Business Administration
15 found that in 2004, the per-employee cost of Federal
16 regulations for firms with fewer than 20 employees
17 was \$7,647, 44.8 percent more than the \$5,282 per-
18 employee cost faced by businesses with 500 or more
19 workers;

20 (5) Federal agencies have failed to analyze and
21 uncover less costly alternative regulatory approaches,
22 despite the fact that the Regulatory Flexibility Act
23 requires them to do so; and

1 (6) the regulatory playing field for small busi-
2 ness concerns should be leveled, making it easier for
3 them to comply with complex regulations.

4 **SEC. 3. DEFINITIONS.**

5 In this Act—

6 (1) the term “Board” means the Public Com-
7 pany Accounting Oversight Board established under
8 section 101 of the Sarbanes-Oxley Act of 2002 (15
9 U.S.C. 7211);

10 (2) the term “Commission” means the Securi-
11 ties and Exchange Commission; and

12 (3) the term “small business concern” has the
13 same meaning as in section 3 of the Small Business
14 Act (15 U.S.C. 632).

15 **SEC. 4. REGULATORY FLEXIBILITY ANALYSIS REQUIRED.**

16 Notwithstanding any other provision of law, before
17 the Commission approves any final rule of the Board in
18 accordance with section 107(b) of the Sarbanes-Oxley Act
19 of 2002 (15 U.S.C. 7217(b)), the Commission shall con-
20 duct and complete an analysis of such rule in accordance
21 with section 604 of title 5, United States Code.

22 **SEC. 5. SMALL BUSINESS COMPLIANCE GUIDE REQUIRED.**

23 The Commission shall publish the small business
24 compliance guide, as required by section 212 of the Small
25 Business Regulatory Enforcement Fairness Act of 1996

1 (5 U.S.C. 601 note) on the same date as the date of publi-
 2 cation of the final rule (or as soon as possible after that
 3 date) issued to carry out section 404 of the Sarbanes-
 4 Oxley Act of 2002 (15 U.S.C. 7262).

5 **SEC. 6. STUDY AND REPORT ON EFFECTS ON SMALL BUSI-**
 6 **NESS CONCERNS.**

7 (a) ASSESSMENT OF EFFECTS ON SMALL BUSI-
 8 NESS.—

9 (1) IN GENERAL.—Two years after the date on
 10 which final rules are published by the Board to carry
 11 out section 404 of the Sarbanes-Oxley Act of 2002
 12 (15 U.S.C. 7262), the Comptroller General of the
 13 United States shall conduct an assessment of the
 14 impact on small business concerns of such rules and
 15 prepare a report on such assessment.

16 (2) CONTENT.—The assessment and report re-
 17 quired by this section shall—

18 (A) quantify how both the regulatory re-
 19 quirements of the Commission and the auditing
 20 requirements of the Board are affecting small
 21 business concerns;

22 (B) be modeled on the investigation of the
 23 Advisory Committee on Smaller Public Compa-
 24 nies of the Commission into the regulatory bur-
 25 dens posed by the rules of the Commission;

1 (C) include an assessment of the costs and
 2 time commitments imposed on small business
 3 concerns by the requirements of the Commis-
 4 sion and the Board, and an estimate of whether
 5 or not such costs of compliance are expected to
 6 decrease or increase in the future;

7 (D) document how the Commission and
 8 the Board worked together, since issuing the
 9 final compliance guide described in section 5, to
 10 help small business concerns comply with their
 11 regulatory requirements; and

12 (E) include recommendations and regu-
 13 latory alternatives on how to simplify or im-
 14 prove the process of compliance with Commis-
 15 sion and Board requirements for small business
 16 concerns.

17 (b) AVAILABILITY OF REPORT.—Upon completion of
 18 the report required by this section, such report shall be—

19 (1) submitted to the Committee on Small Busi-
 20 ness and Entrepreneurship of the Senate, the Com-
 21 mittee on Small Business of the House of Rep-
 22 resentatives, and the Small Business Administration;
 23 and

24 (2) made available to the public.

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